

Attachment 1

Gross Intrastate Operating Revenues Definition and Examples

Definition:

- Intrastate Revenues are revenues derived wholly from activities within the state of Idaho.

The following are examples of accounts that have offsets that affect Gross Intrastate Operating Revenues:

- Revenue accounts that show income offset by expenses shall be shown net of expenses. E.g.: pay station revenues that have pay station expenses would only include the total revenues received as gross intrastate revenue.
- Un-collectible accounts:
These accounts with debit balances shall not offset revenues from other sources.

Gross Intrastate Operating Revenues include:

- *Revenues from Title 61 & 62 activities:*
E.g.: Local service, customer calling features, long distance, WATS, private line and calls for service to install equipment outside of a customer's premise are included; Servicing or installing customer premise equipment (CPE) for a customer is excluded.
- *Revenues from dividends and interest from ratepayer-funded instruments –*
E.g.: Ratepayer funded interest on RTFC and RUS loans. Any interest or dividends generated from these sources must be included.
- *Revenues from Universal Service Funds –*
E.g.: Funds paid to utilities by the Idaho USF are intrastate revenue as are the federal USF funds that are distributed by NECA.
- *Revenues from services provided to towers used for communications.*
- *Revenues from directory services –*
E.g.: Amounts received by an operating company for supplying data used in telephone books. If an operating company publishes a telephone book, revenues from the alphabetical and classified sections are included.
- *Revenues from USOA accounts that have a source in the regulated activities of the operating company:*
E.g.: returns from non-regulated use of regulated assets are included.

Gross Intrastate Operating Revenues exclude:

- Revenues from cellular services.
- Network Access Services Revenues that come from interstate operations.
- Non-regulated income. E.g.: cable TV services.

PLEASE NOTE: This list of examples may not be applicable to every company and it is not exhaustive. However, when used, it will improve uniformity in the Gross Intrastate Operating Revenue reported by telephone corporations to the Commission.